



**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT
BOARD OF COMMISSIONERS' VIRTUAL MEETING
OCTOBER 31, 2024, AT 4:00 P.M.**

Present for the Board: Chair John Hine, Vice Chair Paul Dobosh, Ron Coutu
Absent: Tom Terry, Kurt Schenker

Present for SHELD: General Manager Sean Fitzgerald, Financial Manager Michael Conchieri,
Director of Operations Adam St. Martin, Administrative Services Specialist Kim Mendoza

The meeting was called to order at 4:00 PM by Chair John Hine

Minutes Approval:

9/26/2024 Open Session:

On a motion by Mr. Dobosh and seconded by Mr. Coutu, it was

VOTED: To approve minutes of September 26, 2024 open session by a roll call vote: Mr. Coutu-aye, Mr. Dobosh-aye, Mr. Hine-aye.

Public Comment:

There were none.

Manager's Report:

Electric Outages: There were minimal electrical outages this month.

Mutual Aid: SHELD participated in Mutual Aid through NEPPA (Northeast Public Power Association) who sent crews, that included seven groups of 114 personnel and equipment, south after the two recent hurricanes. SHELD sent two Lineworkers to South Carolina to help restore power there after Hurricane Helene. Jon Szymonik and Brian Jerome took a Digger Derrick truck and spent 10 days helping to replace the 500 broken poles in Laurens SC where 63,000 customers were without power. They worked in an area where the conditions were hot and humid with very little lodging or food services available. The residents were very appreciable of their help in restoring power.

AMI Meter Update: SHELD completed the AMI meter installations. Bob Blasko, Shane Lavoie, and the team did a great job getting the 8000 meters installed ahead of schedule. The Smart App, for people to access their usage information, is in beta testing with SHELD employees who live in town. It will be active in the App store and be available to both apple and android users shortly. Once the App is available, by mid-November, the Board and select customers will be notified and be able to test the App and provide feedback to SHELD. In December, a bill insert will be provided to all residents with information about the App. The App was designed by Meridian/SEDC. Dave Sullivan, SHELD IT, was instrumental in configuring and getting the app published.

Fiber Update: Fiberspring has reached a 50% take rate in South Hadley. We are still receiving applications in South Hadley and will have some promotions to attract more residents to the service. Also, we recently attended a Longmeadow question and answer session about building fiber in their town. They will be having their second vote to become a MLP and release funds for design and engineering for their fiber buildout in November.

August 2024 Financials:

Mr. Conchieri referenced PowerPoint slides as he gave a brief overview of the financials for the month ending August 31, 2024.

Kilowatt hour sales of 74,912,000 for 2024 were up by 3.7% from 2023 or 2,672,000 kilowatt hours. Year-to-date operating revenues of \$11,386,000 were up from 2023 by 3.97% or about \$434,000, consisting of an increase of \$405,000 in sales volume and an increase of \$29,000 in selling price.

The 2024 kilowatt hour purchases of 77,618,000 were up by 4.49% from 2023, or 3,333,000. The 2024 cost of power sold of \$7,126,000 was up by about 8.36% from 2023, or \$550,000, consisting of an increase of \$295,000 in kilowatt hour purchase volume, and an increase of \$255,000 in purchase price.

The net revenue of \$6,910,000 was up from 2023 by 2.5% or \$168,000. The actual net revenue was up from the budgeted amount by \$61,000. All other 2024 operating expenses of \$6,774,000 on a combined basis were up from 2023 by about \$975,000 and up from the budgeted amount by \$575,000.

August 2024 ended with a net YTD gain of about \$678,000, compared to the 2023 net gain of \$1,181,000 and did not quite reach the budgeted amount of a \$781,000 gain. Mr. Conchieri is confident we are on track to meet the budget by year's end.

Clean Heat Standard-Large Building Reporting Regulations:

Mr. Fitzgerald explained that the DOER has a draft in place for the Clean Heat Standard (CHS) which would require MLPs, beginning in 2026, to have an increasing number of heat pumps installed in their communities, with a certain percentage installed in the homes of low-income residents. Requirements are based on individual utility electric sales, and the number of heat pumps required each year increases over time. The low-income requirement, which is part of the total requirement, also increases over time. If the utility is not in compliance, they are subject to alternative compliance payments (ACPs), beginning at \$6,000 for each full conversion, increasing by \$1,000 each year, reaching \$10,000 by 2030. The alternative compliance payment for low-income installs is double that amount.

The DEP issued a draft framework for this regulation in December 2023 and offered the opportunity to submit comments. MMWEC, MEAM, and some individual MLPs submitted comments stating we do not believe this standard can be legally applied to MLPs. We detailed reasons we are opposed to it. The main concern is that the cost of compliance through ACPs will be borne by all the MLP customers. There have been meetings with the DEP to discuss MLP

concerns. Earlier this month, MMWEC and MEAM reached out to Municipal Light Plant Legislative Caucus members encouraging them to sign a letter stating our opposition to the CHS. More than 30 legislators signed the letter. The DEP has indicated it plans to issue draft regulations sometime this fall. We will have another opportunity to submit comments when the draft regulations are released. Another Large Building Requirement would be for the utilities to send commercial consumption data to the State. That customer data will no longer be protected. MLPs are governed by Boards, who set rates and policies, and this will infringe on those rights.

Mr. Dobosh mentioned these regulations were to help the State meet their renewable standards. Mr. Fitzgerald said SHELD has heat pump rebates and zero percent loans and could set their own policies to help the State meet its goals, but the State plan could raise everyone's rates, especially when hit with penalty fees.

Succession Planning:

Mr. Fitzgerald had emailed the Board a draft of his succession plans, one for the department and one for his position. The plan shows past practices and gives the Board a roadmap for the future planning of staffing at SHELD. Mr. Coutu would like to see more specifics on the college degrees required for each position and an interim plan to cover the GM position if Mr. Fitzgerald had an unanticipated absence for a period of time. This would give the Board the direction of which staff members to reach out to in the interim, in case of an emergency situation.

Old Business:

The next hybrid MLB Meeting is December 12th. Mr. Coutu would like an update on any new information on the property/new building.

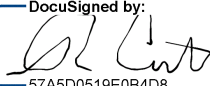
New Business:

It's time for the GM's performance review. Mr. Fitzgerald has sent his self-review to the Chair and Vice Chair. Mr. Hine will send Sean's self-review to the Board, along with a template for them to review Sean, and return their review to Mr. Hine by November 15th. Mr. Hine will compile the reviews, and a committee will negotiate Sean's contract amendment. Mr. Coutu volunteered, along with Mr. Hine, to form the compensation committee.

Adjourn:

On a motion by Mr. Coutu, seconded by Mr. Dobosh, it was unanimously VOTED: To adjourn the meeting by a roll call vote: Mr. Coutu-aye, Mr. Dobosh-aye, Mr. Hine-aye.

The open session ended at 4:36 P.M.

DocuSigned by:

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Ronald Coutu, Light Board Clerk

Approved: December 12, 2024

EXHIBIT A

List of Documents reviewed on October 31, 2024, Municipal Light Board Meeting

1. Draft Open Session Minutes September 26, 2024
2. August 31, 2024 Financial Management Report
3. 9/25/2024 Large Building Energy Reporting Draft Legislation
4. 10/22/2024 MLP Caucus Letter DOER Large Building Reporting